

## Message Text

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43

ACTION COME-00

INFO OCT-01 ARA-10 ISO-00 AGR-10 CEA-01 CIAE-00 DODE-00

EB-07 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04 TAR-01

TRSE-00 USIA-15 PRS-01 SP-02 FEAE-00 OMB-01 GSA-02

XMB-04 /110 W

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R 251515Z JUN 75

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 7300

UNCLAS MANAGUA 2466

E.O. 11652: N/A

TAGS: ETRD, NU

SUBJECT: EXPORT RESTRICTIONS IMPOSED BY NICARAGUA

REF: STATE 146681

1. WITH THE VERY MINOR EXCEPTIONS DESCRIBED BELOW, NICARAGUA HAS NO EXPORT CONTROLS. AN EMERGENCY TAX OF 10 PERCENT ON FOB VALUE OF AGRICULTURAL, FISHERY AND TIMBER EXPORTS OUTSIDE CENTRAL AMERICAN, IMPOSED JANUARY 8, 1973 TO HELP RECONSTRUCT EARTHQUAKE-DAMAGED MANAGUA, WAS REPEALED ON NOV. 16, 1974 (DECREE NO. 663 PUBLISHED IN THE GACETA NO. #2) IN FAVOR OF A GENERAL 6 PERCENT SALES TAX AND HIGHER INCOME TAXES.

2. LISTED BELOW ARE THOSE PRODUCTS WHOSE EXPORT IS NOT ENTIRELY UNREGULATED.

A. LUMBER. THE ONLY LUMBER EXPORTS ALLOWED ARE SAWED LUMBER ARTIFICALLY DRIED AND CHEMICALLY TREATED (IN OTHER WORDS, NO RAW WOOD) AND LUMBER PROCESSED INTO PLYWOOD. EXCEPTION MAY BE MADE BY THE MINISTRY OF ECONOMY. THIS RULY IS TO STIMULATE  
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WOOD PROCESSING INDUSTRIES AND TO SLOW THE MASSIVE DEFORESTATION OF A LARGE PART OF NICARAGUA. (EXECUTIVE DECREE NO. 7, 10 APRIL,

1968).

B. IRON, COPPER, BRONZE, AND ALUMINUM SCRAP MAY NOT BE EXPORTED. (EXECUTIVE DECREE NO. 2 19 JULY, 1961).

C. OCELOT AND DEER SKINS MAY NOT BE EXPORTED; THIS RULING IS PART OF THE CLOSED SEASON THAT WAS DECLARED TO PREVENT THE DISAPPEARANCE OF CERTAIN SPECIES OF ANIMALS. (EXECUTIVE DECREE NO. 1, 5 AUGUST, 1961).

D. ARCHAEOLOGICAL ARTIFACTS MAY NOT BE EXPORTED; ALL ARCHAEOLOGICAL ARTIFACTS BY LAW FORM PART OF THE NATIONAL HERITAGE AND MAY NOT LEAVE THE NATIONAL TERRITORY. (LEGISLATIVE DECREE NO. 1498, 12 SEPTEMBER, 1968).

E. DRIED OR DEHYDRATED SHRIMP KNOWN AS XIPHOPENAEUS KROYERI AND PENAEUS SHMITTI MAY NOT BE EXPORTED TO PREVENT EXTINCTION. (EXECUTIVE DECREE NO. 56, 24 MARCH, 1971).

F. OTTER AND BEAVER SKINS MAY NOT BE EXPORTED; BOTH ANIMALS ARE AT THE POINT OF EXTINCTION IN NICARAGUA. THIS RULING APPEARS IN THE FIRST ARTICLE OF THE AGREEMENT OF THE MINISTRY OF AGRICULTURE, NO. 3, 23 JUNE 1972, AND IS TO REMAIN IN EFFECT FOR FIVE YEARS.

G. THE EXPORTATION OF MOLLUSCS AND CRUSTACEANS FROM THE GULF OF FONSECA IS PROHIBITED; THESE ORGANISMS ARE IN DANGER OF DISAPPEARING FROM THE GULF OF FONSECA (AGREEMENT OF THE MINISTRY OF AGRICULTURE, XO. 4, 7 JULY, 1972).

H. SEA TURTLES MAY BE EXPORTED ONLY DURING THE PERIOD APRIL 1 THROUGH JULY 31, THE ONLY PERIOD WHEN SEA TURTLES MAY BE HUNTED. SEA TURTLES ARE IN DANGER OF EXTINCTION AND THE HUNTING SEASON WAS SHORTENED ACCORDINGLY. (ARTICLES 1 AND 2 OF THE DECREE OF THE NATIONAL BOARD NO. 204, 12 JULY, 1972).

I. WILDLIFE IN GENERAL MAY BE EXPORTED ONLY DURING THE LEGAL HUNTING SEASONS. HUNTING SEASONS EXIST FOR MOST WILD ANIMALS. (ARTICLE 1 OF THE AGREEMENT OF THE MINISTRY OF AGRICULTURE NO. 2, 26 JULY, 1972).

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J. WITH TTU EXCEPTION OF COTTON SEED AND COTTON SEED CAKE, PRIMARY MATERIALS USED IN THE PREPARATION OF ANIMAL FEEDS MAY NOT BE EXPORTED. THE MINISTRY OF ECONOMY MAY GIVE SPECIAL PERMISSION FOR EXPORTS IF SURPLUSES DEVELOP. THIS PROHIBITION IS TO PROTECT THE IMPORTANT CATTLE-RAISING INDUSTRY. (DECREE NO. 64 OF THE NATIONAL GOVERNING BOARD, 4 JANUARY, 1974).

K. BASIC FOOD AND STAPLE CROPS SUCH AS CORN, BEANS, RICE, AND SORGHUM MAY BE EXPORTED ONLY WITH THE SPECIAL PERMISSION

OF THE MINISTRY OF ECONOMY. NICARAGUA IS PUSHING FOR SELF-SUFFICIENCY IN THESE CROPS AND IN SOME CASES MAINTAINS PRICE LEVELS BELOW WORLD-MARKET PRICES. (EXECUTIVE DECREE NO. 16, 24 DECEMBER 1972 AS MODIFIED BY EXECUTIVE DECREE NO. 132, 13 JANUARY, 1975).

3. OCCASIONALLY THERE IS PRESSURE BY CERTAIN GROUPS FOR EXPORT CONTROLS, ESPECIALLY WHEN DOMESTIC SUPPLIES ARE LOW AND/OR THERE IS AN UPWARD PRESSURE ON DOMESTIC PRICES. HOWEVER, THE GOVERNMENT OF NICARAGUA IS GENERALLY OPPOSED TO EXPORT CONTROLS AND WITH THE VERY MINOR AND INCONSEQUENTIAL EXCEPTIONS MENTIONED ABOVE HAS NOT IMPOSED ANY. NICARAGUA HAS INDICATED ITS OPPOSITION TO EXPORT RESTRICTIONS BY REFUSING TO JOIN IN THE VENEZUELA-SPONSORED COFFEE RETENTION SCHEME. (NICARAGUA DOES OF COURSE "VOLUNTARILY" RESTRICT MEAT EXPORTS TO THE U.S.). NO EXPORT CONTROLS OF ANY IMPORTANCE ARE FORESEEN FOR THE NEAR FUTURE.  
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## Message Attributes

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